

The Threat of The US Trade War

Since his presidential election campaign in June 2016, Donald Trump had used the “America First” slogan as his campaign theme. After being elected as president, the slogan had been used as his official government doctrine during his inauguration as the 45th US president on January 20th, 2017. The slogan carries a message that every country should prioritize the citizens’ interest above all. If a government fails to prioritize its citizens’ interest, it will be vulnerable for intervention and exploitation by other countries. The goal is to “Make America Great Again”.

In the economic sector, the US has recorded substantial trade deficit. In 2017, the deficit reached USD566 billion, due to the considerably higher import of goods and services of USD2.89 trillion than exports (USD2.33 trillion). The deficit was the largest in the world and had persisted since 1975. The main import products include cars, oils and mobile phones, whereas the major export products comprise airplanes, automobiles, and food. Bilaterally, the deficit was accounted for by its trade with China (USD375 billion), subsequently followed by Mexico (USD71 billion), Japan (USD69 billion), Germany (USD65 billion), and Canada (USD18 billion).

A country records a trade deficit when it consumes more goods and services than it produces, thereby its shortfall must be imported. To finance its imports, the country must borrow from abroad because its revenue falls short of its capacity to produce. President Trump's obsession in realizing the objective of America First in the area of economy is to balance, or at least, to minimize the trade deficit.

A prolonged trade deficit may endanger a country since it will lead to an accumulation of foreign debt. Furthermore, the higher the deficit, the narrower the job availability, hence raising unemployment; and vice-versa in the case of a country with a trade surplus due to the higher production activity.

The Trump Administration takes the view that the US is authorized to impose protectionist measures if the Commerce Department believes that the imported goods are sold at a too low price. Under such circumstances, in accordance with the US Trade Law of 1974 section 301, the government is authorized to impose appropriate sanctions, such as the imposition of tariffs so that the imported goods are sold at a price deemed reasonable by the government.

Any trade dispute between countries should not be resolved under domestic laws, as with the case of the US government; instead, it should be dealt with through the dispute settlement mechanism of the WTO. Apparently, the Trump Administration will not opt for this mechanism being aware of its inconsistency with some WTO principles. For example, a country is not allowed to raise tariff unilaterally since it is binding, and must accord most favored nations (MFN) and non-discrimination treatment to all members.

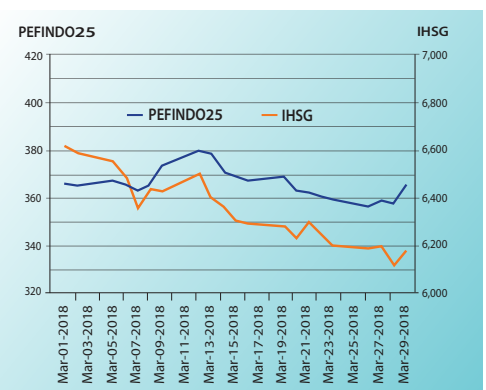
In March 2018, the US government decided to charge 25% tariff on steel and 10% tariff on aluminum only a month after imposing tariff and quota for solar panel and washing machine. The US protectionism main target is China with the objective of reducing its economic aggressiveness through the imposition of tariff on products imported from China worth USD60 billion. The main reason is in the US view, China has conducted a lot of unfair and unethical trade practices.

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First, China has been accused of being an exchange rate manipulator since the yuan has barely appreciated even though China has implemented a floating exchange rate system since July 2005. Under a floating exchange rate system, based on market mechanisms, the yuan should continue to strengthen in line with the substantial increase in its trade surplus. However, China has intentionally resisted the appreciation of yuan to maintain the competitiveness of its products in the international market through sterilization policy, resulting in the accumulation of foreign exchange reserves. In fact, since April 2008 the yuan only slightly strengthened from CNY7 = USD1 to CNY6.05 = USD1 in January 2014 before weakened to CNY6.27 = USD1 at the end of March 2018. Such movements are hardly in line with the mounting foreign exchange reserves, which hiked from USD1.6 trillion in early 2008 reaching its peak of USD4.1 trillion by mid 2014 before decreasing to USD3.1 trillion in February 2018.

Second, although since 1980 China became a member of the World Intellectual Property Rights (WIPO), the United States considers that China is the world's largest violator of intellectual property rights, including infringements of trademark, copyright and patents. According to the 2017 US IP Commission Report, 87 percent of pirated goods coming into the US originated from China and Hong Kong.

Third, the Chinese government has subsidized steel products in various forms, resulting in an oversupply in the country. The same allegation has also been leveled by the EU against China rendering the imposition of a 35.9 percent tariff on China's steel products in June 2017.

As a result of these trade practices, in addition to various other factors, the US has experienced the largest bilateral trade deficit with China, totaling USD375 billion accounting for 65 percent of the total US deficit.

The US protectionist policy is expected to be less effective because of the anticipated reaction from its trading partners either through the dispute settlement mechanism of the WTO, unilateral retaliation by other countries being injured as well as the reaction of some domestic companies.

First, the US trading partners (including US allies such as Europe and Japan) have expressed concerns to such policy. The EU Commission (EU), representing its 28 member countries, has intended to take immediate steps to defend its interests through the WTO if new tariffs were imposed on the EU. Japan, although exhibiting reaction in a softer term, will also follow suit.

Second, the unilateral reaction of China. So far, China is still awaiting the realization of President Trump's actions, but is ready to charge up to 25 percent tariff on 128 US products including pork, wine, and fruits worth about \$ 3 billion.

Third, from domestic side, the reaction will likely come from the US multinational companies which have invested in China and domestic firms using raw materials affected by tariffs.

1. US multinationals which have invested in China, such as Apple, Nike, Walmart, and McDonalds, will likely suffer from huge losses depending on the type of retaliation that China will take. So far, those companies have invested in China in search for cheap labor and large domestic market. The losses can take the form of the decline in income and profits which will further adversely affect the price of their shares held by sizeable US public including pension funds.

2. Domestic industries using steel and aluminum for the raw material, such as automobile, washing machines, processed foods, and military industries will be hit by rising raw material prices.

Impact on Indonesia

If the US policy is effective and applicable to all countries including Indonesia, then Indonesia will face both a direct and indirect adverse impacts. The direct impact is the decline in exports due to the imposition of tariffs. As for aluminum products, Indonesia's exports value to the US was USD116 million in 2016, which will be expected to decline following the imposition of tariffs. This will be aggravated by the expected decrease in Indonesia's export to other countries due to rising competition as China will likely divert its export to the third country which is also Indonesia's export market destination.

With regard to steel products, Indonesia still imports about 60-70 percent of domestic need totaling 12.7 million tons. Domestic steel producers have complained about the recent surges in steel import rendering the underutilization of domestic production capacity. Under such circumstances, the imposition of tariffs by the US will induce China to seek other markets in Asia including Indonesia. On the one hand, the surge of China's export into the domestic market will further hit local steel producers, while on the other hand, it will benefit the consumers from lower prices.

The imposition of tariffs on the US agricultural products by China will drive the US to shift its market to other importing countries like Indonesia. Accordingly, the price of some imported agricultural products such as soybeans and wheat will likely decrease.

From the above analyses, it can be concluded that:

1. Trade wars will only bring harm to all parties and result in lower economic growth.
2. In the era of globalized production and supply chain, the imposition of trade sanctions against a country becomes more complicated.
3. Though not a key target, Indonesia will also be adversely affected by both the direct and indirect impacts of such trade wars.
4. Being confronted with such a situation, the best course of action for Indonesia is to resolve the problem through the dispute settlement mechanism of the WTO together with other countries. Indonesia's bargaining position will be much stronger through a multilateral than bilateral solution. ●

Overview

Palm Oil Market



Aulia Ikhsan
ECONOMIC RESEARCH ANALYST

PEFINDO estimates that global palm oil market has a downside risk ahead. The biggest challenges come from the stringent regulations on Europe and US, supported by the negative campaign against palm oil products of Indonesia and Malaysia, that might be resulting in the rapid shift in consumption of soybeans oil and sunflower oil to palm oil. Meanwhile, India as the biggest global importer has increased the imported tax of palm oil double since last year, then a senator of Australia has also proposed the amendment to competition and consumer, including palm oil products. In addition, the poor weather condition comes as the natural challenge for this industry. However, the improving economic conditions, rising living standards, changing eating habits globally, and growing demand for vegetable oil as a feedstock for biodiesel production are expected as the push factors for global demand. At the domestic level, the legal factor could be another challenge for the industrial players. However, the trend of rupiah depreciation to US dollar could be an advantage for the local producers to compete at the global market.

Global Market

Zion Market Research (2017) has predicted that global palm oil market size was valued at USD65.73 billion in 2015, and by assuming the CAGR growth reaching 7.2% between 2016 and 2021, they expect the palm oil market to reach USD92.84 billion in 2021. Palm Oil Analytics (2017) estimated Indonesia as the biggest producer palm oil in the world in 2016 (58.0% market share), followed by Malaysia (29.1%), Thailand (3.9%), Colombia (2.2%) and Nigeria (1.6%). Based on 2016 data, the top five importers of palm oil were India (32.0% market share), European Union (20.6%), China (16.1%), Pakistan (10.3%), and Egypt (5.0%).

Based on the latest corporates report, Sime Darby Plantation is the biggest CPO producer in the world by 9.78 million metric tonnes (mt) fresh fruit bunches (FFB) between July 2016 to June 2017. Golden Agri Resources Ltd produced 9.61 mt FFB in 2017. PT Astra Agro Lestari Tbk was estimated to produce 5.21 mt FFB in 2017. Felda Global Ventures produced 4.26 mt FFB in 2017, while Wilmar Group produced 3.9 mt FFB in 2017.

In 2018, we predict the Palm oil output will grow at 8% or more, as the outputs are

expected to fully recover from the super El Nino seen in 2015-2016. However, at the same time, since January 2018, the EU approved the limitation of palm oil use for transportation fuel starting from 2021. We also predict that the market will experience a shortage of demand, which could decrease the price.

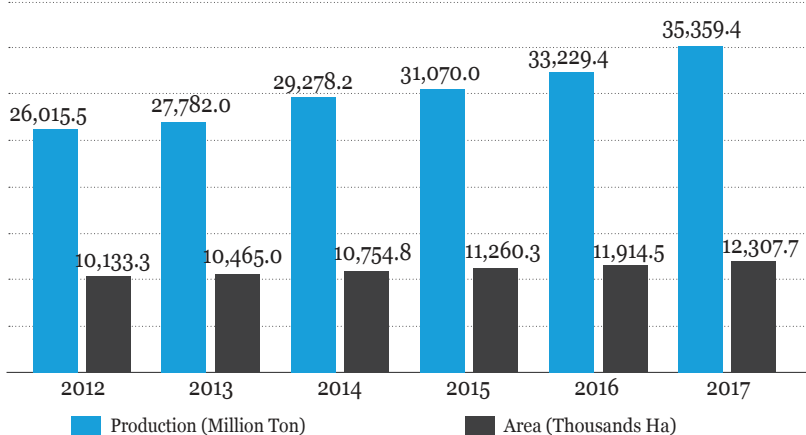
Domestic Market

Indonesian Palm Association (GAPKI) stated that Indonesia palm oil production in 2017 increased by 18% year on year (yoy), supported by the relatively conducive weather conditions to produce a higher productivity than the previous year. GAPKI also revealed that total production of palm oil, including palm kernel oil, increased to 41.9 million tonnes, while the Statistics Bureau of Indonesia (BPS) only recorded 35.3 million tonnes at the same time. Based on 2015 data of BPS, the widest area of palm oil came from Riau province (by 2.4 million hectares/ha), followed by North Sumatera (1.4 million ha), West and Central Kalimantan (both 1.1 million ha), and South Sumatera (0.9 million ha).

Based on GAPKI, the export of Indonesia's palm oil (without biodiesel and oleochemical) recorded 31.1 million tonnes (equal to USD22.9 billion) in 2017, the highest along Indonesian palm oil exports history. India was the highest importer country of Indonesia palm oil products (by 7.6 million tonnes), followed by European Union (5.0 million tonnes), China (3.7 million tonnes), African countries (2.3 million tonnes), and Pakistan (2.2 million tonnes).

Domestically, the most challenging factor comes from the legal uncertainty of plantation cultivation rights (Hak Guna Usaha-HGU) and also the contra productive of local regulation. However, we view the depreciation trends of rupiah to US dollar could be another advantage to Indonesia's palm oil products to compete at the global market. ●

Chart 1. Production and Area's of Indonesia Palm Oil



Source: BPS (2018)



M. Try Satria Pranata
MUNICIPAL ANALYST

Post Issuance of Municipal Bond/Sharia Bond: Information Disclosure of Local Government (2)

The revised package of the Financial Service Authority (Otoritas Jasa Keuangan or OJK) regulation on municipal bond/sharia bond not only regulates the issuance of municipal bond/sharia bond, but also regulates the local government responsibility for information disclosure, since the local government has become the bond issuer on the Indonesian Stock Exchange (IDX).

According to OJK regulation (POJK) No. 63/POJK.04/2017 concerning Reporting and Announcements from the Issuer of Municipal Bond and/or Municipal Sharia Bond, there are several responsibilities of local government as a bond issuer for disclosing informations as a form of protection to municipal bond/sharia bond investors (bondholders). This POJK specifically regulates local governments because of its special nature that needs to be regulated differently from corporate bond issuer.

Therefore, local government who has become the bond issuer is subject to information disclosure as stated in the Act No. 8 Year 1995 concerning Capital Market, in addition to being a government institution, which is subject to the Act No. 14 Year 2008 concerning Public Information Disclosure. Local government as a bond issuer will become more transparent and accountable, which certainly will increase the level of public trust.

According to the POJK, bond issuers are required to submit the audited local government financial statement (Laporan Keuangan Pemerintah Daerah or LKPD), realization report of the utilization of municipal bond/sharia bond proceeds (Laporan Realisasi Penggunaan Dana or LRPD), and material informations/facts to OJK. In addition, LKPD and material informations/facts must be announced to the public through national daily newspaper (Indonesian language) or IDX website, as well as the local government website, which will be explained as follows.

Local Government Financial Statement (LKPD)

LKPD audited by the Audit Board of the Republic of Indonesia (Badan Pemeriksa Keuangan Republik Indonesia or BPK RI) must be submitted to OJK and announced to the public no later than 9 months after the financial statement date. The LKPD must

include the management representation letter, BPK RI's opinion of the financial statement, and the financial ratios of the bond issuer ability to repay the debt, such as debt service coverage ratio (DSCR).

This provision is different for corporate bond issuer. Based on the Bapepam-LK Regulation No. X.K.2 and X.K.6, the corporate bond issuers are required to submit a mid-year financial statement and also an annual report. The responsibility to submit and announce the financial statement for corporate bond issuer is no later than 3 months after the financial statement date, while the annual report submission is no later than 4 months after the end of the year.

Realization Report of the Utilization of Bonds Proceeds (LRPD)

Bond issuers are required to prepare LRPD of municipal bond/sharia bond on a regular basis every 6 months, dated June 30 and December 31 until the full realization/utilization of proceeds from the municipal bond/sharia bond. LRPD must be submitted to OJK no later than the 15th day of the following month after the LRPD date.

The POJK also regulates the bond issuers who have plan to change their utilization of proceeds from the municipal bond/sharia bond. Bond issuers must have an approval from the general meeting of bondholders prior to submitting a report to OJK, containing plan and reason of changes on its utilization of bond proceeds.

Material Informations/Facts

Material informations/facts are relevant informations that may affect the value or price of the securities. Bond issuers are required to submit the material informations/facts to OJK, no later than the end of the second working day after obtaining informations. Bond issuers are also required to announce the material informations/facts to the public through national daily newspaper or IDX website, as well as local government website.

The material informations/facts include:

1. Changes of the head of local government and changes of the head of debt management unit;
2. Buyback and resale of municipal bond/sharia bond;
3. Changes of territory or changes of name of local government;
4. Replacement of trustee;
5. The late payment of interest/return and/or principal amount;
6. Changes of rating of municipal bond/sharia bond (if any);
7. Other material informations/facts related to activity funded by the municipal bond/sharia bond.

Debt Management Unit (DMU)

The POJK also regulates the responsibility of the bond issuers to have a specific unit to perform the municipal bond/sharia bond management (or simply a debt management unit). This unit is assigned to follow the updates of capital market informations, to give considerations about legal compliance on capital market regulations, as well as to provide information disclosure to the public and OJK.

This unit is also assigned to become a liaison between the bond issuer and bondholders, OJK, and other stakeholders. This unit functions is similar to the corporate secretary of a corporate bond issuer. Referring to the central government, this unit is performed by the Directorate General of Budget Financing and Risk Management (Direktorat Jenderal Pengelolaan Pembiayaan dan Risiko or DJPPR) in the Ministry of Finance. Local governments that are interested on issuing the municipal bond/sharia bond may take DJPPR as a benchmark in the establishment of a DMU.

Managing the municipal bond/sharia bond as a debt security is a big responsibility for the local governments to the public. If a non-issuer local government is only responsible to the people within its territory, the bond issuer local government is also responsible to the public or investors that invest their funds to the municipal bond/sharia bond. The responsibilities of information disclosure for local governments who become bond issuer may support the local government to be more transparent and accountable. ●

Type of Information	Time Limit
Audited LKPD LRPD of the municipal bond/sharia bond	No later than 9 months after the financial statement date. Preparing: every 6 months dated June 30 and December 31. Submitting: no later than the 15th day of the following month after the LRPD date.
Material informations/facts	No later than the end of the second working day after obtaining informations.

Coordination Meeting *Self Regulatory Organization (SRO)*

PEFINDO, as a subsidiary under the Self Regulatory Organization (SRO), along with the other subsidiaries under SRO, namely PEFINDO Credit Bureau (PBK), Indonesia Bond Pricing Agency (IBPA), Securities Investor Protection Fund (SIPF), Indonesia Securities Funding (PEI), The Indonesia Capital Market Institute (TICMI), and the IDX Channel attended a coordination meeting held by the Indonesia Stock Exchange (IDX), PT Kustodian Sentral Efek Indonesia (KSEI), and PT Kliring Penjaminan Efek Indonesia (KPEI), in Batam from 17th-19th February 2018. Director of Finance and Human Resources of BEI, Mr. Chaeruddin Berlian, reiterated that through the coordination meeting, there will be greater integration between the subsidiaries and thus result in a positive impact on the services they provide. Furthermore, President Director of PEFINDO, Mr. Salyadi Saputra, quoted that the company has identified opportunities from its synergy with the IDX Channel and expects more cooperation between the other subsidiaries of SRO going forward. The event featured presentations of the strategic business plans of every subsidiary for 2018 financial year, in addition to team building activities to encourage and improve unity among the subsidiaries. ●



Seminar S&P Global Ratings



PEFINDO participated in a one-day seminar organized by S&P Global Ratings on March 13, 2018, which was held at the Ritz Carlton Hotel Ballroom in Jakarta. Senior Deputy Governor of Bank Indonesia Mr. Mirza Adityaswara presented the topic of “Indonesia in 2018: Coping with a Pre-Election Year, Funding Innovation, and Rising Interest Rates”, in which he educated visitors on the outlook of Indonesia’s economy, and the credit trends currently being experienced in the public and private sectors, as well as the banking industries. The Seminar was attended by 150 participants from various institutions and sectors as well as from media. Mrs. Vonny Widjaja, as PEFINDO’s Rating Director, was actively involved in the panel discussions with representatives from PT Profesional Telekomunikasi Indonesia, Indonesia Infrastructure Guarantee Fund, S&P Global Ratings, and Credit Suisse. ●

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Tracking Foreign Investment Flow In The Corporate Bond Market

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We view that the liquidity issue is still a threat to the emission of corporate bonds in the country because both foreign investors and local investors have limited interest in this instrument.

Although external negative sentiment eroded the performance of the government bond market, corporate bond performance is still relatively solid. Corporate bond index (IBDOBEX corporate) is still quite positive, year-to-date

(YTD), return of the corporate bonds remained positive at 0.9%, in contrast to the negative return of government bonds (-0.1% YTD). External factor exposure to the performance of corporate bonds is relatively low given the not-too-large foreign portion, thus not significantly impacting the selling action in the market.

In term of issuance, corporate bonds set a record of issuance in the first two months of 2018. New issuance hit IDR18.7 trillion, more than double compared to IDR8.9 trillion in the same period last year, and mostly came from conventional corporate bonds (worth IDR17.9 trillion).

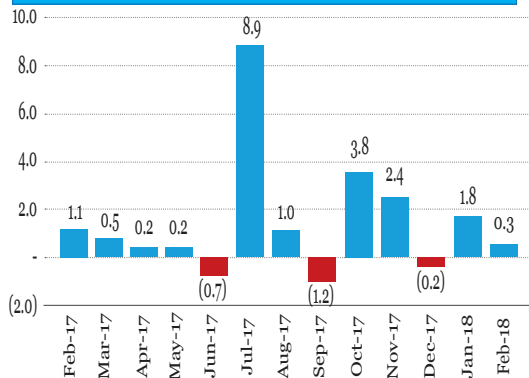
Although increased investor anxiety over global sentiment led to an increase in global investor risk perceptions of the domestic bond market (as reflected on the rise of Indonesia's five-year Credit Default Swap by 15.97 bps week on week (WoW) to the level of 105.46 bps on March 23, 2018), foreign investors

remained positive on domestic corporate bond market. Despite still at small portion, foreign investors increased their ownership on domestic corporate bonds and posted net buy of IDR18.1 trillion during February 2017-February 2018 (and around IDR2.1 trillion during January-February 2018). As of February 2018, their total holding reached IDR31.5 trillion or around 7.6% of the total outstanding corporate bonds, rose from 6.2% in 2016.

Most of the foreign ownership is concentrated in the multifinance sectors. It is around 48.0% or valued at IDR15.1 trillion. Another considerable sectors are metal and mineral mining (26.9%, IDR5.5 trillion), Banks (15.4%, IDR4.8 trillion), and telecommunications (5.6%, IDR1.8 trillion). In the first two month, foreign investor recorded net buy of IDR2.1 trillion. In addition to foreign investor, pension fund also substantially bought IDR5.6 trillion net during the period.

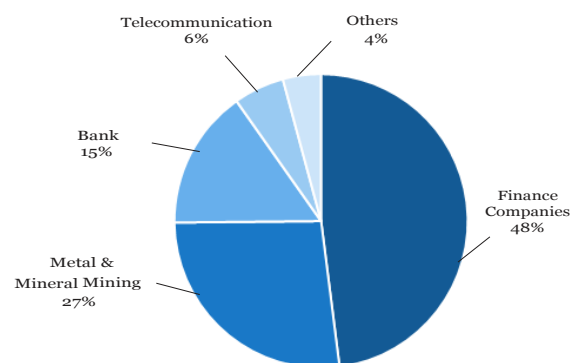
Despite being relatively positive, we view that foreign investment inflows to the corporate bond market will remain limited in the short term. We view that the liquidity issue is still a threat to the emission of corporate bonds in the country because both foreign investors and local investors have limited interest in this instrument. Different tax treatment is also the reason for the lack of investor interest and the difficulty of domestic corporate bonds to flourish. ●

Chart 1. Net Buy (Sell) by Foreign Investors In Corporate Bond (in trillion)



Source: KSEI

Chart 2. Foreign Investor Portfolio by Sectors (as of Feb 2018)



Source: KSEI



companies & bonds rated by PEFINDO

No	Company	Rating	Outlook
1	Adhi Karya (Persero) Tbk. Shelf Registration Bond Year 2012, 2013, and 2017	idA-	Stable
2	Adhi Persada Properti MTN Year 2017	idBBB	Stable
3	Adira Dinamika Multi Finance Tbk. Shelf Registration Bond Year 2013, 2014, 2015, 2016, and 2017 Shelf Registration Sukuk Mudharabah Year 2015, 2016, and 2017	idAAA idAAA idAAA(sy)	Stable
4	Agung Podomoro Land Tbk. Shelf Registration Bond Year 2013, 2014, and 2015	idA-	Negative
5	AKR Corporindo Tbk. Bond Year 2012 Shelf Registration Bond Year 2017	idAA- idAA- idAA-	Positive
6	Aneka Tambang Tbk. Shelf Registration Bond Year 2011	idBBB+ idBBB+	Stable
7	Angkasa Pura I (Persero) Bond Year 2016 Sukuk Ijarah Year 2016	idAAA idAAA idAAA(sy)	Stable
8	Angkasa Pura II (Persero) Bond Year 2016	idAAA	Stable
9	Asahimas Flat Glass Tbk.	idA	Stable
10	Astra Sedaya Finance MTN Year 2015	idAAA idAAA	Stable
11	Asuransi Bangun Askrida	idA+	Stable
12	Asuransi Bhakti Bhayangkara	idBBB	Stable
13	Asuransi Binagriya Upakara	idBBB+	Stable
14	Asuransi Bringin Sejahtera Artamakmur	idA	Stable
15	Asuransi Central Asia	idA+	Stable
16	Asuransi Jasa Indonesia (Persero)	idAA	Stable
17	Asuransi Jiwa Inhealth Indonesia	idAA	Stable
18	Asuransi Jiwa Syariah Al Amin	idBBB	Stable
19	Asuransi Kredit Indonesia (Persero)	idAA+	Stable
20	Asuransi Staco Mandiri	idBBB	Stable
21	Asuransi Umum BCA	idAA	Stable
22	Asuransi Tri Pakarta	idA-	Stable
23	Bali Towerindo Sentra Tbk. MTN Year 2017	idBBB+ idBBB+	Stable
24	Bank BNI Syariah Sukuk Mudharabah Year 2015	idAA+(sy)	Stable
25	Bank BRI Syariah	idAA+	Stable
26	Bank Bukopin Tbk. Shelf Registration Subordinated Bond Year 2012 Shelf Registration Subordinated Bond Year 2015 and 2017	idA+ idA- idA-	Stable
27	Bank Capital Indonesia Tbk. Subordinated Bond Year 2014, 2015, and 2017	idBBB+ idBBB-	Stable
28	Bank CIMB Niaga Tbk. Shelf Registration Bond Year 2013, 2016, and 2017	idAAA idAAA	Stable
29	Bank Danamon Indonesia Tbk.	idAAA	Stable
30	Bank DKI Subordinated Bond Year 2011 Shelf Registration Bond Year 2016	idAA- idA+ idAA-	Stable
31	Bank Ganेशha Tbk.	idBBB+	Stable
32	Bank Kesejahteraan Ekonomi Subordinated Bond Year 2016	idBBB+ idBBB-	Stable
33	Bank Lampung	idA-	Stable
34	Bank Mandiri (Persero) Tbk. Shelf Registration Bond Year 2016 and 2017	idAAA idAAA	Stable
35	Bank Mandiri Taspen	idAA	Stable
36	Bank Mayapada Internasional Tbk. Subordinated Bond Year 2013 Subordinated Bond Year 2014 Shelf Registration Subordinated Bond Year 2017	idA- idBBB+ idBBB+	Stable
37	Bank Maybank Indonesia Tbk. Shelf Registration Bond Year 2017 Shelf Registration Subordinated Bond Year 2011 and 2012 Subordinated Bond Year 2011 Shelf Registration Subordinated Bond Year 2014 and 2016 Shelf Registration Sukuk Mudharabah Year 2016 and 2017	idAAA idAAA idAA+ idAA+ idAAA idAAA(sy)	Stable
38	Bank Mega Tbk.	idA+	Stable
39	Bank Muamalat Indonesia Tbk. MTN Syariah Year 2017 Subordinated MTN Syariah Year 2017	idA idA(sy) idBBB+(sy)	CreditWatch with Negative Implication
40	Bank Negara Indonesia (Persero) Tbk. Shelf Registration Bond Year 2017	idAAA idAAA	Stable
41	Bank OCBC NISP Tbk. Shelf Registration Bond Year 2016 and 2017	idAAA idAAA	Stable
42	Bank Pan Indonesia Tbk. Shelf Registration Bond Year 2016 and 2018 Shelf Registration Subordinated Bond Year 2012 Shelf Registration Subordinated Bond Year 2016 and 2017	idAA idAA idAA- idAA+	Stable
43	Bank Panin Dubai Syariah Tbk.	idAA-	Negative
44	Bank Pembangunan Daerah Jawa Barat dan Banten Tbk. Shelf Registration Subordinated Bond Year 2017	idAA- idA-	Stable
45	Bank Pembangunan Daerah Jawa Tengah Subordinated Bond Year 2015 MTN Year 2017 MTN Syariah Mudharabah Year 2017	idAA- idA- idAA- idAA-(sy)	Stable
46	Bank Pembangunan Daerah Jawa Timur Tbk.	idA+	Stable
47	Bank Pembangunan Daerah Nusa Tenggara Timur Bond Year 2011	idA	Stable

No	Company	Rating	Outlook
48	Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat Shelf Registration Bond Year 2016 Sukuk Mudharabah Year 2016	idA+ idA+ idA+(sy)	Stable
49	Bank Pembangunan Daerah Sumatera Barat (Bank Nagari) Subordinated Bond Year 2012 Bond Year 2015 Sukuk Mudharabah Year 2015	idA- idA idA(sy)	Stable
50	Bank Permata Tbk. Shelf Registration Subordinated Bond Year 2013 Shelf Registration Subordinated Bond Year 2014 Subordinated Bond Year 2011 and 2012	idAAA idAA+ idAA idAA+	Stable
51	Bank QNB Indonesia Tbk.	idAA	Stable
52	Bank Rakyat Indonesia (Persero) Tbk. Shelf Registration Bond Year 2015, 2016, 2017, and 2018	idAAA idAAA	Stable
53	Bank Rakyat Indonesia Agroniaga Tbk. Bond Year 2017	idAA	Stable
54	Bank Resona Perdania MTN Year 2016	idAA- idAA-	Stable
55	Bank Sahabat Sampoerna	idA	Stable
56	Bank Sumitomo Mitsui Indonesia MTN	idAAA idAAA	Stable
57	Bank Sumut Subordinated Bond Year 2011	idA	Stable
58	Bank Syariah Mandiri Sukuk Subordinasi Mudharabah Year 2016	idAA+ idAA-(sy)	Stable
59	Bank Tabungan Negara (Persero) Tbk. Bond Year 2010 and 2011 Shelf Registration Bond Year 2012, 2013, 2015, 2016, and 2017	idAA+ idAA+ idAA+	Stable
60	Bank Victoria International Tbk. Bond Year 2013 Subordinated Bond Year 2012 and 2013 Shelf Registration Bond Year 2017 Shelf Registration Subordinated Bond Year 2017	idA- idA- idBBB+ idA- idBBB	Stable
61	Bank Woori Saudara Indonesia 1906 Tbk. Subordinated Bond Year 2012	idAA+ idAA	Stable
62	Barata Indonesia (Persero) MTN Year 2017	idBBB idBBB	Stable
63	Batavia Prosperindo Finance Tbk. Shelf Registration Bond Year 2016 and 2017	idBBB idBBB	Stable
64	BCA Finance Shelf Registration Bond Year 2016	idAAA idAAA	Stable
65	Brantas Abipraya (Persero) Bond Year 2015	idBBB+ idBBB+	Stable
66	Bumi Serpong Damai Tbk. Shelf Registration Bond Year 2012, 2013, and 2016	idAA- idAA-	Stable
67	Bussan Auto Finance Bond Year 2017	idAA	Stable
68	Century Tokyo Leasing Indonesia MTN Year 2016	idAA- idAAA(cg)	Stable
69	Chandra Asri Petrochemical Tbk. Bond Year 2016 Shelf Registration Bond Year 2017 and 2018	idAA- idAA-	Stable
70	Chandra Sakti Utama Leasing Bond Year 2017	idA	Stable
71	Clipan Finance Indonesia Tbk. MTN Year 2018	idAA- idAA-	Stable
72	CSM Corporatama	idBBB+	Stable
73	Danareksa (Persero) Shelf Registration Bond Year 2014	idA	Positive
74	Duta Anggada Realty Tbk.	idBBB+	Negative
75	Express Transindo Utama Tbk. Bond Year 2014	idSD	-
76	Fast Food Indonesia Tbk. Bond Year 2016	idAA idAA	Stable
77	Federal International Finance Shelf Registration Bond Year 2015, 2016, and 2017	idAAA idAAA	Stable
78	Finansia Multi Finance MTN Year 2017	idBBB+ idBBB+	Stable
79	Garuda Indonesia (Persero) Tbk. Shelf Registration Bond Year 2013	idBBB+ idBBB+	Stable
80	Gresik Jasatama	idBBB	Stable
81	Global Mediacom Tbk. Shelf Registration Bond Year 2017 Shelf Registration Sukuk Ijarah Year 2017	idA+ idA+ idA+(sy)	Stable
82	Graha Informatika Nusantara MTN Year 2016	idBBB idBBB	Stable
83	Graha Wahana Nusantara	idBB+	Stable
84	Helksa Solution Insurance	idBBB+	Stable
85	Hutama Karya (Persero) Bond Year 2013 Shelf Registration Bond Year 2016 and 2017	idA- idA- idAAA(gg)	Stable
86	Impact Pratama Industri Tbk. Bond Year 2016	idA- idA-	Stable
87	Indofood Sukses Makmur Tbk. Bond Year 2014 and 2017	idAA+ idAA+	Stable
88	Indomobil Finance Indonesia Shelf Registration Bond Year 2014, 2015, 2016, 2017, and 2018	idA	Stable
89	Indonesia Infrastructure Finance Bond Year 2016	idAAA idAAA	Stable

No	Company	Rating	Outlook
90	Indonesia Power	idAAA	Stable
91	Indosat Tbk. Bond Year 2012 Sukuk Ijarah Year 2012 Shelf Registration Bond Year 2014, 2015, 2016, and 2017 Shelf Registration Sukuk Ijarah Year 2014, 2015, 2016, and 2017	idAAA idAAA idAAA(sy) idAAA idAAA(sy)	Stable Stable - - -
92	Indosurya Inti Finance	idBBB+	Stable
93	Industri Kereta Api (Persero) MTN Year 2017	idA idA	Stable -
94	Infrastruktur Bisnis Sejahtera	idBBB+	Stable
95	INKA Multi Solusi MTN Syariah Mudharabah Year 2017	idBBB+ idBBB+(sy)	Stable -
96	Inti Bangun Sejahtera Tbk.	idA-	Stable
97	Intiland Development Tbk. Bond Year 2013 and 2016	idA- idA-	Negative -
98	J Resources Nusantara MTN Year 2017 and 2018	idA idA	Stable -
99	Jamkrida Banten	idBBB-	Stable
100	Jamkrida Jabar	idBBB	Stable
101	Jasa Marga (Persero) Tbk. Bond Year 2010 Shelf Registration Bond Year 2013 and 2014	idAA idAA idAA	Stable - -
102	Jasa Raharja (Persero)	idAAA	Stable
103	Kereta Api Indonesia (Persero) Bond Year 2017	idAAA idAAA	Stable -
104	KIK EBA (Asset Backed Securities) KIK EBA Danareksa BTN - KPR BTN Class A KIK EBA Danareksa Indonesia Power PLN 1-EBA Class A KIK EBA Mandiri JSMR01 Class A EBA-SP SMF-BTN01 Class A EBA-SP SMF-BTN02 Class A EBA-SP SMF-BTN03 Class A EBA-SP SMF-BTN04 Class A EBA-SP SMF-BMRI01 Class A	idAAA idAAA idAAA(sf) idAAA(sf) idAAA idAAA idAAA idAAA idAAA idAAA	- - - - - - - - - -
105	Kimia Farma (Persero) Tbk. MTN Year 2017	idAA- idAA-	Stable -
106	Koperasi Simpan Pinjam Nusantara	idBBB	Stable
107	Lautan Luas Tbk. Shelf Registration Bond Year 2013 and 2017	idA- idA-	Stable -
108	Lembaga Pembiayaan Ekspor Indonesia Shelf Registration Bond Year 2011, 2014, 2015, 2016, 2017, and 2018 MTN Year 2016	idAAA idAAA idAAA	Stable - -
109	Lembaga Penjamin Simpanan	idAAA	Stable
110	Len Industri (Persero) MTN Year 2017	idBBB- idBBB-	Stable -
111	Mandala Multifinance Tbk. Shelf Registration Bond Year 2015	idA idA	Stable -
112	Mandiri Tunas Finance Shelf Registration Bond Year 2014, 2015, 2016, and 2017	idAA+ idAA+	Stable -
113	Marga Lingkar Jakarta Bond Year 2017	idAAA(sf)	-
114	Mayora Indah Tbk. Bond Year 2012 Shelf Registration Bond Year 2017	idAA idAA idAA	Stable - -
115	Medco Energi Internasional Tbk. Shelf Registration Bond Year 2016 and 2017 MTN Year 2016	idA+ idA+ idA+	Stable - -
116	Mega Auto Finance	idA-	Stable
117	Mega Central Finance	idA-	Stable
118	Mitra Adiperkasa Tbk. Shelf Registration Bond Year 2014	idAA- idAA-	Stable -
119	Mitra Bisnis Keluarga Ventura	idBBB+	Stable
120	Mitsubishi UFJ Lease & Finance Finance MTN Year 2015 and 2016	idAAA(cg)	-
121	MNC Guna Usaha Indonesia MTN Year 2017	idBBB(cg)	-
122	MNC Kapital Indonesia Tbk. Shelf Registration Bond Year 2013	idBBB idBBB	Stable -
123	MNC Pictures MTN Syariah Ijarah Year 2018	idBBB+ idA+(sy)(cg)	Stable -
124	MNC Securities MTN Year 2016	idBBB+ idBBB+	Stable -
125	Modernland Realty Tbk. Shelf Registration Bond Year 2015	idA idA	Negative -
126	Mora Telematika Indonesia Bond Year 2017	idA idA	Stable -
127	NH Korindo Sekuritas Indonesia	idA	Stable
128	Nindya Karya (Persero) MTN Year 2017	idBBB+ idBBB+	Stable -
129	Nippon Indosari Corpindo Tbk. Shelf Registration Bond Year 2013 and 2015	idAA- idAA-	Stable -
130	Nusa Surya Ciptadana	idA	Stable
131	Oto Multiartha Bond Year 2017	idAA+ idAA+	Stable -
132	Panorama Sentrawisata Tbk. Shelf Registration Bond Year 2013 and 2015	idA- idA-	Stable -
133	Pegadaian (Persero) Bond Year 2003 and 2009 Shelf Registration Bond Year 2011, 2012, 2013, 2014, 2015, and 2017 MTN Syariah Mudharabah Year 2018	idAAA idAAA idAAA idAAA(sy)	Stable - - -
134	Pelabuhan Indonesia I (Persero) Bond Year 2016	idAA idAA	Stable -
135	Pelabuhan Indonesia III (Persero)	idAA+	Stable

No	Company	Rating	Outlook
136	Pelabuhan Indonesia IV (Persero)	idAA	Stable
137	Pembangunan Jaya Ancol Tbk. Shelf Registration Bond Year 2016	idAA- idAA-	Stable -
138	Pembangunan Perumahan (Persero) Tbk. Shelf Registration Bond Year 2015	idA+ idA+	Stable -
139	Perikanan Nusantara (Persero) MTN I Year 2017	idBBB- idBBB-	Stable -
140	Perkebunan Nusantara III (Persero) MTN Year 2015	idA idA	Stable -
141	Perkebunan Nusantara X Bond Year 2013	idBBB idBBB	Stable -
142	Permodalan Nasional Madani (Persero) Bond Year 2013 Shelf Registration Bond Year 2014, 2016, and 2017 Sukuk Mudharabah Year 2017	idA idA idA idA(sy)	Stable - - -
143	Perum Jaminan Kredit Indonesia (Jamkrindo)	idAA+	Stable
144	Perum Lembaga Penyelenggara Pelayanan Navigasi Penerbangan Indonesia	idAAA	Stable
145	Perum Perikanan Indonesia MTN Year 2017	idBBB+ idBBB+	Stable -
146	Perum Perumnas MTN Year 2015, 2016, and 2017	idBBB+ idBBB+	Stable -
147	Perusahaan Gas Negara (Persero) Tbk.	idAAA	Stable
148	Perusahaan Listrik Negara (Persero) Bond Year 2006, 2007, and 2010 Shelf Registration Bond Year 2013, 2017, and 2018 Sukuk Ijarah Year 2010 Shelf Registration Sukuk Ijarah Year 2013, 2017, and 2018	idAAA idAAA idAAA idAAA(sy) idAAA(sy)	Stable - - - -
149	Perusahaan Perseroan (Persero) Telekomunikasi Indonesia Tbk. Bond Year 2010 Shelf Registration Bond Year 2015	idAAA idAAA idAAA	Stable - -
150	Phapros Tbk. MTN Year 2017	idA- idA-	Stable -
151	Pindad (Persero) MTN Year 2017	idA- idA-	Stable -
152	PP Properti Tbk. MTN Year 2016 Bond Year 2016	idBBB idBBB idBBB	Stable - -
153	Pupuk Sriwidjaja Palembang	idAA-	Stable
154	Rajawali Nusantara Indonesia (Persero) MTN Year 2017 Sukuk Ijarah Year 2017	idA- idA- idA-(sy)	Negative - -
155	Reasuransi Indonesia Utama (Persero) Mandatory Convertible Bond I Year 2014	idAA idAA-	Stable -
156	Reasuransi Syariah Indonesia	idA+	Stable
157	Rekayasa Industri	idBBB+	Stable
158	Ricobana Abadi MTN Year 2017	idBBB- idBBB-	Stable -
159	Sarana Multi Infrastruktur (Persero) Bond Year 2014 Shelf Registration Bond Year 2016 and 2017	idAAA idAAA idAAA	Stable - -
160	Sarana Multigriya Finansial (Persero) Shelf Registration Bond Year 2012, 2013, 2015, 2016, 2017, and 2018 Sukuk Mudharabah Year 2017	idAAA idAAA idAAA(sy)	Stable - -
161	Semen Baturaja (Persero) Tbk. MTN Year 2018	idA idA	Stable -
162	Semen Indonesia (Persero) Tbk. Shelf Registration Bond Year 2017	idAA+ idAA+	Stable -
163	Siantar Top Tbk. Shelf Registration Bond Year 2016	idA idA	Stable -
164	Sumberdaya Sewatama Bond Year 2012 Sukuk Ijarah Year 2012	idBB+ idBB+ idBB+(sy)	Stable - -
165	Summarecon Agung Tbk. Shelf Registration Bond Year 2013, 2014, 2015, and 2017 Shelf Registration Sukuk Ijarah Year 2013, 2014, and 2015	idA+ idA+ idA+(sy)	Negative - -
166	Sunprima Nusantara Pembiayaan MTN Year 2017	idA idA	Stable -
167	Surya Artha Nusantara Finance MTN Year 2015 Shelf Registration Bond Year 2015, 2016, and 2017	idAA- idAA- idAA-	Stable - -
168	Surya Semesta Internusa Tbk. Shelf Registration Bond Year 2016	idA- idA-	Negative -
169	Suzuki Finance Indonesia	idA-	Stable
170	Tiga Pilar Sejahtera Food Tbk. Bond Year 2013 Sukuk Ijarah Year 2013 and 2016	idCCC idCCC idCCC(sy)	Stable - -
171	Timah (Persero) Tbk. Shelf Registration Bond Year 2017 Shelf Registration Sukuk Ijarah Year 2017	idA+ idA+ idA+(sy)	Stable - -
172	Tiphone Mobile Indonesia Tbk. Shelf Registration Bond Year 2015, 2016, and 2017	idA idA	Stable -
173	Trimegah Sekuritas Indonesia Tbk.	idA	Stable
174	Verena Multi Finance Tbk. MTN Year 2017	idA- idA-	Stable -
175	Waskita Karya (Persero) Tbk. Shelf Registration Bond Year 2015, 2016, and 2017	idA- idA-	Positive -
176	Wika Realty MTN Year 2015, 2016, dan 2017	idBBB+ idBBB+	Stable -